

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 697

Introduced by Assembly Member V. Manuel Pérez
(Coauthors: Assembly Members Block, Blumenfield, Chesbro, Cook,
Dickinson, Huffman, Jeffries, Monning, Nielsen, and Williams)
(Coauthor: Senator Runner)

February 17, 2011

An act to amend Section 987.85 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 697, as amended, V. Manuel Pérez. ~~Veterans' benefits: Veterans' Farm and Home Purchase Act of 1943. Veteran: acquisition of home: interest of record.~~

The Veterans' Farm and Home Purchase Act of 1974 authorizes the Department of Veterans Affairs to assist veterans in acquiring homes and farms by generally providing that the department may purchase a farm or home which the department then sells to a purchaser, as defined. Existing law prohibits the department, except in limited circumstances, from acquiring a home in which the veteran has an interest of record.

This bill would eliminate this prohibition, and would instead authorize the department to acquire a home in which the veteran has an interest of record for the purpose of refinancing an existing mortgage loan, as provided. This bill would require the department to adopt and publish rules and regulations, as specified.

~~The Veterans' Farm and Home Purchase Act of 1943, administered by the Department of Veterans Affairs, provides veterans with the opportunity to acquire farms and homes.~~

This bill would state the intent of the Legislature to enact legislation to grant the Department of Veterans Affairs, under the Veterans' Farm and Home Purchase Act of 1974, known as the "CalVet" Home Loan program, the ability to issue refinance loans for contracts held by another bank.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 987.85 of the Military and Veterans Code
2 is amended to read:
3 987.85. (a) The department ~~shall not~~ may acquire a home in
4 which the veteran has an interest of record ~~except in the following~~
5 ~~instances:~~ for the purpose of refinancing an existing mortgage
6 loan.
7 (b) The certain funds used by the department for the purpose
8 specified in subdivision (a) shall be used in accordance with federal
9 laws and regulations governing the use of qualified mortgage
10 bonds and qualified veterans' mortgage bonds.
11 (c) The department shall, consistent with the purposes of this
12 article, adopt and publish rules and regulations that are necessary
13 to implement this section.
14 ~~(a) Where the application is for aid for the construction of a~~
15 ~~home upon real property owned by the applicant and the~~
16 ~~improvements to be constructed thereon have not reached~~
17 ~~completion as evidenced by the issuance of a certificate of~~
18 ~~occupaney.~~
19 ~~(b) Where the veteran had no interest of record in the property~~
20 ~~at the time of filing his or her application and thereafter secured~~
21 ~~interim financing pending the processing and approval of the~~
22 ~~application by the department.~~
23 ~~(c) Where the application is for the purchase of a mobilehome~~
24 ~~to be situated upon real property, or an undivided interest therein,~~
25 ~~owned by the applicant.~~
26 ~~(d) Where the applicant is an Indian veteran and the application~~
27 ~~is for the construction of a dwelling house or other improvements~~
28 ~~on, or for the purchase of a mobilehome to be sited on, trust land~~
29 ~~in which the Indian veteran has a beneficial interest or owns an~~
30 ~~interest of record.~~

1 ~~(e) Where the application is for assistance to enable the veteran~~
2 ~~to purchase his or her space, or share in a mobilehome park, which~~
3 ~~is converted from a rental park to a nonprofit corporate~~
4 ~~resident-owned park or subdivision, cooperative, or condominium~~
5 ~~for mobilehomes, in which the veteran resides in his or her~~
6 ~~mobilehome. A veteran applying for assistance under this~~
7 ~~subdivision shall not be required to have his or her mobilehome~~
8 ~~reinstalled on a permanent foundation system as a condition of~~
9 ~~receiving the proceeds of the loan to purchase his or her space or~~
10 ~~share of the park. This subdivision shall be implemented by the~~
11 ~~department only to the extent that expenditures for the kind of~~
12 ~~financial assistance to veterans enumerated herein conform to the~~
13 ~~requirements of federal tax law with regard to the tax-exempt status~~
14 ~~of funding instruments utilized to provide the assistance.~~

15 ~~SECTION 1. It is the intent of the Legislature to enact~~
16 ~~legislation to amend Section 987.85 of the Military and Veterans~~
17 ~~Code to grant the Department of Veterans Affairs under the~~
18 ~~Veterans' Farm and Home Purchase Act of 1974, known as the~~
19 ~~"CalVet" Home Loan program, the ability to issue refinance loans~~
20 ~~for contracts held by another bank.~~